

IC 8-18-22

Chapter 22. County Road and Bridge Bonding

IC 8-18-22-1

Applicability of chapter

Sec. 1. This chapter applies to the issuance of bonds by counties for purposes authorized by IC 8-16-3, IC 8-16-3.1, IC 8-16-5, and IC 8-17 through IC 8-20. This chapter does not apply to bonds issued under IC 8-18-21.

As added by P.L.113-1989, SEC.9.

IC 8-18-22-2

"Bonds" defined

Sec. 2. As used in this chapter, "bonds" has the meaning set forth in IC 36-1-2-2.

As added by P.L.113-1989, SEC.9.

IC 8-18-22-3

Bond issues; purposes; notice and hearing; multiple projects funded by single issue

Sec. 3. (a) Upon request of the county executive, the county fiscal body may borrow money and issue bonds in the name of the county in principal amounts and maturities as the fiscal body determines necessary to provide sufficient funds for the purposes specified in IC 8-16 through IC 8-20, including:

- (1) the payment of costs of the project for which bonds are authorized, costs of issuance, or related costs of financing;
- (2) the payment of interest on the bonds;
- (3) the establishment of reserves to secure the bonds; and
- (4) all other expenditures of the county incident to, necessary, and convenient to carry out this chapter.

(b) Before bonds may be issued under this chapter, the county fiscal body shall give notice of a public hearing to disclose the purpose for which the bond issue is proposed, the amount of the proposed issue, and other pertinent data. The county fiscal body shall publish in accordance with IC 5-3-1 a notice of the time, place, and general purpose of the hearing.

(c) The costs of more than one (1) project may be included in one (1) issue of bonds.

As added by P.L.113-1989, SEC.9.

IC 8-18-22-4

Ordinance authorizing bonds; method of sale; price

Sec. 4. (a) The bonds must be authorized by ordinance of the fiscal body. The ordinance must provide the following with respect to the bonds:

- (1) The original date of the bonds.
- (2) The time or times that the bonds mature. However, a bond may not mature more than thirty (30) years from the date it is issued.

- (3) The maximum interest rate or rates, including variations of the rates.
- (4) The denominations.
- (5) The form, either coupon or registered.
- (6) The registration privileges.
- (7) The medium of payment and the place or places of payment.
- (8) The terms of redemption, including redemption before maturity.

(b) Bonds issued under this chapter must be sold under IC 5-1-11, and at a price or prices determined by the county fiscal body in the ordinance.

As added by P.L.113-1989, SEC.9.

IC 8-18-22-5

Optional provisions of ordinance

Sec. 5. An ordinance authorizing the issuance of bonds under this chapter or trust indenture under which the bonds are issued may contain the following provisions:

- (1) Pledging revenues of the county to secure the payment of the bonds, subject to section 6 of this chapter and existing agreements with bondholders.
- (2) Setting aside reserves or sinking funds and the regulation and disposition of these funds.
- (3) Limitations on the purposes to which the proceeds from the sale of bonds may be applied.
- (4) Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds.
- (5) The procedure, if any, by which the terms of a contract with bondholders may be amended or abrogated and the manner in which the consent to the amendment or abrogation may be given.
- (6) Vesting in a trustee property, rights, powers, and trust as the county fiscal body determines, and limiting or abrogating the right of the bondholders to appoint a trustee or to limit the rights, powers, and duties of the trustee.
- (7) Defining acts or omissions that will constitute a default and the obligations or duties of the county fiscal body to the bondholders and providing for the rights and remedies of the bondholders in the event of default. However, the rights and remedies must not be inconsistent with this chapter or other laws of this state.
- (8) A covenant that the fiscal body will not repeal or adversely modify the taxes or sources of revenue that are pledged to secure the payment of the bonds.
- (9) Any other matter that affects the security or protection of the bondholders.

As added by P.L.113-1989, SEC.9.

IC 8-18-22-6

Pledge of revenues; covenants not to impair pledged taxes

Sec. 6. (a) Except as provided in subsection (b), the county fiscal body may pledge revenues for the payment of principal and interest on the bonds and for other purposes under the ordinance as provided by IC 5-1-14-4, including revenues from the following sources:

- (1) The motor vehicle highway account.
- (2) The local road and street account.
- (3) The county motor vehicle excise surtax.
- (4) The county wheel tax.
- (5) The county adjusted gross income tax.
- (6) The county option income tax.
- (7) The economic development income tax.
- (8) Assessments.
- (9) Any other unappropriated or unencumbered money.

(b) The county fiscal body may not pledge to levy ad valorem property taxes for these purposes, except for revenues from the following:

- (1) IC 8-16-3.
- (2) IC 8-16-3.1.

(c) If the county fiscal body has pledged revenues from the county option income tax as set forth in subsection (a), the county income tax council (as defined in IC 6-3.5-6-1) may covenant that the council will not repeal or modify the tax in a manner that would adversely affect owners of outstanding bonds issued under this chapter. The county income tax council may make the covenant by adopting an ordinance using procedures described in IC 6-3.5-6.

(d) If the county fiscal body has pledged revenues from the economic development income tax as set forth in subsection (a), the county income tax council (if the council is the body that imposed the tax) may covenant that the council will not repeal or modify the tax in a manner that would adversely affect owners of outstanding bonds issued under this chapter. The county income tax council may make the covenant by adopting an ordinance using procedures described in IC 6-3.5-6.

As added by P.L.113-1989, SEC.9.

IC 8-18-22-7**Trust indentures**

Sec. 7. (a) The bonds may be secured by a trust indenture between the county and a bank having the power of a trust company or any trust company.

(b) The trust indenture may provide for:

- (1) protecting and enforcing the rights and remedies of the bondholders as are reasonable and proper and not in violation of law;
- (2) covenants setting forth the duties of the county fiscal body in relation to the exercise of its powers and the custody, safekeeping, and application of money related to the bond financing for which the trust indenture exists;
- (3) the payment of the proceeds of the bonds and the revenue of

the trustee under the trust indenture; and
(4) the method of disbursement of the proceeds of the bonds and the revenue to the trustee, with safeguards and restrictions as the county fiscal body may determine.

As added by P.L.113-1989, SEC.9.

IC 8-18-22-8

Execution and attestation of bonds

Sec. 8. Bonds issued by the county under this chapter must be executed by the manual or facsimile signatures of the executive and attested to by the county auditor.

As added by P.L.113-1989, SEC.9.

IC 8-18-22-9

Use of bond proceeds

Sec. 9. Money received from the bonds issued under this chapter shall be applied solely to the purposes for which the bonds were issued, except as provided in IC 5-1-13 and IC 5-1-14.

As added by P.L.113-1989, SEC.9.

IC 8-18-22-10

Bonds as negotiable instruments; registration

Sec. 10. The bonds are negotiable instruments, subject only to the provisions of the bonds relating to registration.

As added by P.L.113-1989, SEC.9.

IC 8-18-22-11

Tax exemption

Sec. 11. Bonds issued under this chapter are exempt from taxation in Indiana under IC 6-8-5.

As added by P.L.113-1989, SEC.9.

IC 8-18-22-12

Exemption from securities registration laws

Sec. 12. Bonds issued by the county under this chapter are exempt from registration and other requirements of IC 23 and any other securities registration laws.

As added by P.L.113-1989, SEC.9.

IC 8-18-22-13

State covenant not to impair bondholder rights and remedies

Sec. 13. The general assembly pledges to and covenants with the owner of any bonds issued under this chapter that the general assembly will not limit or alter the ability of the county to fulfill the terms of the agreements or pledges made with bondholders or in any way impair the rights or remedies of the bondholders until the bonds and related obligations are fully met and discharged.

As added by P.L.113-1989, SEC.9.

IC 8-18-22-14

Certain statutory provisions inapplicable

Sec. 14. IC 6-1.1-20 does not apply to the issuance of bonds under this chapter.

As added by P.L.113-1989, SEC.9.